

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

February 1, 2022

1:32 p.m.

MEMBERS PRESENT

Senator David Wilson, Chair
Senator Shelley Hughes, Vice Chair
Senator Mia Costello
Senator Lora Reinbold
Senator Tom Begich

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 168

"An Act requiring the Department of Health and Social Services to provide and allow submission of an electronic application for certain state benefits; and providing for an effective date."

- MOVED SCS HB 168(HSS) OUT OF COMMITTEE

PRESENTATION(S): STATE OF ALASKA IT PROTOCOLS

- HEARD

PRESENTATION(S): DHSS CYBERATTACK UPDATES

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 168

SHORT TITLE: ELECTRONIC APPLICATION FOR STATE BENEFITS

SPONSOR(S): REPRESENTATIVE(S) SNYDER

04/09/21	(H)	READ THE FIRST TIME - REFERRALS
04/09/21	(H)	HSS, FIN
04/13/21	(H)	HSS AT 3:00 PM DAVIS 106
04/13/21	(H)	Heard & Held
04/13/21	(H)	MINUTE(HSS)

04/15/21	(H)	HSS AT 3:00 PM DAVIS 106
04/15/21	(H)	Moved HB 168 Out of Committee
04/15/21	(H)	MINUTE(HSS)
04/16/21	(H)	HSS RPT 5DP 1DNP 1NR
04/16/21	(H)	DP: FIELDS, SPOHNHOLZ, MCCARTY, SNYDER, ZULKOSKY
04/16/21	(H)	DNP: PRAX
04/16/21	(H)	NR: KURKA
04/16/21	(H)	FIN REFERRAL REMOVED
04/16/21	(H)	BILL REPRINTED
04/28/21	(H)	TRANSMITTED TO (S)
04/28/21	(H)	VERSION: HB 168
04/30/21	(S)	READ THE FIRST TIME - REFERRALS
04/30/21	(S)	HSS, FIN
01/20/22	(S)	HSS AT 1:30 PM BUTROVICH 205
01/20/22	(S)	Heard & Held
01/20/22	(S)	MINUTE(HSS)
01/25/22	(S)	HSS AT 1:30 PM BUTROVICH 205
01/25/22	(S)	-- MEETING CANCELED --
02/01/22	(S)	HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

REPRESENTATIVE LIZ SNYDER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 168.

SHAWNDA O'BRIEN, Director
Division of Public Assistance
Department of Health and Social Services (DHSS)
Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 168.

SCOTT MCCUTCHEON, Information Technology Officer
Finance Management Services
Department of Health and Social Services (DHSS)
Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 168.

ALEX FOOTE, Attorney
Legislative Legal Services
Anchorage, Alaska

POSITION STATEMENT: Answered questions on HB 168.

BILL SMITH, Chief Information Officer
Office of Information Technology

Department of Administration
Juneau, Alaska

POSITION STATEMENT: Presented an overview on the State of Alaska's cyber security.

ACTION NARRATIVE

[1:32:02 PM](#)

CHAIR DAVID WILSON called the Senate Health and Social Services Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Hughes, Costello, Begich, Reinbold, and Chair Wilson.

HB 168-ELECTRONIC APPLICATION FOR STATE BENEFITS

[1:32:34 PM](#)

CHAIR WILSON announced the consideration of HOUSE BILL NO. 168 "An Act requiring the Department of Health and Social Services to provide and allow submission of an electronic application for certain state benefits; and providing for an effective date."

[1:33:06 PM](#)

CHAIR WILSON asked for amendments.

[1:33:38 PM](#)

At ease.

[1:37:02 PM](#)

CHAIR WILSON reconvened the meeting and announced Amendment 1 (W.4).

[1:37:14 PM](#)

SENATOR REINBOLD moved Amendment 1 (W.4).

SENATOR BEGICH objected for purposes of discussion.

AMENDMENT 1

32-LS0639\W.4
Dunmire/Foote
1/25/22

OFFERED IN THE SENATE

BY SENATOR REINBOLD

Page 4, line 3, following "application";:

Insert "the electronic application must inform an applicant that a false statement made on the

application will be investigated and is punishable under AS 11.56.210;"

Page 4, line 19, following "website.":

Insert "The electronic application must inform an applicant that a false statement made on the application will be investigated and is punishable under AS 11.56.210."

Page 5, line 2, following "law":

Insert "; the electronic application must inform an applicant that a false statement made on the application will be investigated and is punishable under AS 11.56.210"

Page 5, line 7, following "law.":

Insert "The electronic application must inform an applicant that a false statement made on the application will be investigated and is punishable under AS 11.56.210."

Page 5, line 19, following "law.":

Insert "The electronic application must inform an applicant that a false statement made on the application will be investigated and is punishable under AS 11.56.210."

Page 5, line 31, following "law.":

Insert "The electronic application must inform an applicant that a false statement made on the application will be investigated and is punishable under AS 11.56.210."

Page 6, line 15, following "law;":

Insert "the electronic application must inform an applicant that a false statement made on the application will be investigated and is punishable under AS 11.56.210;"

Page 6, line 30, following "law;":

Insert "the electronic application must inform an applicant that a false statement made on the application will be investigated and is punishable under AS 11.56.210;"

Page 7, line 15, following "eligibility.":

Insert "The electronic application must inform an applicant that a false statement made on the application will be investigated and is punishable under AS 11.56.210."

Page 8, line 7, following "law;"

Insert "the electronic application must inform an applicant that a false statement made on the application will be investigated and is punishable under AS 11.56.210;"

[1:37:37 PM](#)

SENATOR REINBOLD stated that Amendment 1 offers a warning that falsified information is punishable under statute AS 11.56.210.

SENATOR BEGICH asked the sponsor to comment on Amendment 1.

REPRESENTATIVE LIZ SNYDER, Alaska State Legislature, Juneau, Alaska, sponsor of HB 168, deferred the question to the Department of Health and Social Services (DHSS).

SHAWNDA O'BRIEN, Director, Division of Public Assistance, Department of Health and Social Services (DHSS), Juneau, Alaska, responded that warning language exists on paper applications and is intended to be on electronic applications.

[1:39:24 PM](#)

SENATOR HUGHES asked whether warning language could be omitted from paper and electronic applications, if not required by statute.

MS. O'BRIEN replied that state law and federal regulation require the punishable offense verbiage on electronic and paper public assistance applications. The language is generic rather than application specific.

[1:40:33 PM](#)

SENATOR HUGHES asked if the warning notice on paper applications is required by statute.

MS. O'BRIEN replied yes.

SENATOR HUGHES asked if the requirement is by law, not regulation.

[1:41:06 PM](#)

MS. O'BRIEN answered that it is statutory.

[1:41:13 PM](#)

SENATOR BEGICH withdrew his objection and stated his support for HB 168 and Amendment 1, because a governor could not discontinue electronic applications arbitrarily.

SENATOR REINBOLD clarified that Amendment 1 applies to state statute, not federal regulation.

[1:41:52 PM](#)

CHAIR WILSON found no further objection and Amendment 1 passed.

[1:42:03 PM](#)

SENATOR REINBOLD moved Amendment 2 (W.3).

AMENDMENT 2

32-LS0639\W.3
Dunmire/Foote
1/24/22

OFFERED IN THE SENATE

BY SENATOR REINBOLD

Page 1, line 1, following "Act":

Insert "**relating to the duties and authority of
the Department of Health and Social Services;**"

Page 1, line 7:

Delete "shall"

Insert "**may** [SHALL]"

[1:42:04 PM](#)

SENATOR BEGICH objected for purposes of discussion.

[1:42:09 PM](#)

SENATOR REINBOLD stated that Amendment 2 addresses the argument of "shall" versus "may." She said that changing the language to "may" allows opportunity and flexibility.

[1:42:50 PM](#)

SENATOR BEGICH maintained his objection because changing "shall" to "may" would dramatically change AS 47.05.010. The only change needed to AS 47.05.010 for SB 168 is the addition of paragraph (19) on page 4, line 1. He asked if the sponsor supports a change from "shall" to "may."

[1:44:21 PM](#)

REPRESENTATIVE SNYDER replied that Amendment 2 would create unintended changes to AS 47.05.010 that are outside the scope of SB 168.

CHAIR WILSON asked if all Department of Health and Social Services (DHSS) public assistance programs would become optional if Amendment 2 passed.

MS. O'BRIEN stated that Amendment 2 would make it optional for the division to implement the electronic application.

CHAIR WILSON asked if changing "shall" to "may" in Section 1, page 8, line 1 would allow DHSS to have optional public assistance.

MS. O'BRIEN responded that is her understanding. However, administering public assistance is not an option for federally administered state programs.

[1:46:03 PM](#)

SENATOR BEGICH offered that Amendment 2 would require a bill title change and the adoption of a concurrent resolution.

SENATOR HUGHES stated that the use of "may" to roll back Medicaid expansion was discussed previously with the sponsor. She asked where in Alaska statute could "may" be put for that purpose.

MS. O'BRIEN replied that she was not prepared to answer; "may" would be needed in several places.

SENATOR HUGHES responded that she was worried about expanding Medicaid for non-disabled working-age adults. She understands the intent of Amendment 2. but she would not support it because it would require a concurrent resolution and is beyond the scope of SB 168.

[1:48:25 PM](#)

SENATOR REINBOLD asked how many public assistance programs DHSS offers, how many people receive assistance, and the total budget.

[1:48:50 PM](#)

MS. O'BRIEN replied that she did not have the number for the entire budget. For FY21, about 300,000 recipients were served. The budget for public assistance was \$300 million, and the budget for DHSS was \$3 billion.

[1:50:03 PM](#)

SENATOR REINBOLD opined that AS 47.05.010 must change. The number of people receiving assistance is too high and the budget too big, putting retirement and infrastructure at risk. Amendment 2 would allow the state to have increased sovereignty at a time when federal regulation is controlling Alaska's decision-making, especially in education and health and social services. "May" means the state would be able to get people off dependency and head towards a sustainable future.

SENATOR HUGHES said that some paragraphs within AS 47.05.010 should not be optional, such as DHSS's responsibility to recruit quality foster parents and provide child insurance. She opined that she does not want to be pegged as someone favoring Medicaid expansion because Amendment 2 is not the correct mechanism to address it.

[1:52:37 PM](#)

CHAIR WILSON asked if objection to Amendment 2 was maintained.

SENATOR BEGICH maintained his objection.

[1:52:40 PM](#)

CHAIR WILSON asked for a roll call vote.

[1:52:50 PM](#)

A roll call vote was taken. Senator Reinbold voted in favor of the motion to adopt Amendment 2 and Senators Hughes, Costello, Begich, and Wilson voted against it.

[1:53:16 PM](#)

CHAIR WILSON announced that Amendment 2 failed by a 1:4 vote.

[1:53:19 PM](#)

SENATOR REINBOLD moved Amendment 3 (W.2).

AMENDMENT 3

32-LS0639\W.2
Dunmire/Foote
1/25/22

OFFERED IN THE SENATE

BY SENATOR REINBOLD

Page 1, line 2, following "benefits;":

Insert "requiring the Department of Health and Social Services to follow and comply with appropriate measures from the catalog of security and privacy controls for information systems and organizations published by the National Institute of Standards and Technology;"

Page 4, line 7, following "website":

Insert ";

(20) follow and comply with appropriate measures from the catalog of the security and privacy controls for information systems and organizations published by the National Institute of Standards and Technology"

[1:53:29 PM](#)

CHAIR WILSON objected for purposes of discussion.

[1:53:35 PM](#)

SENATOR REINBOLD stated there had been several discussions on Alaska's cybersecurity. It is the legislature's responsibility to protect the privacy of individuals. Legislative Budget and Audit assisted in creating Amendment 3 to require standards to protect data. Amendment 3 would require DHSS to comply with the measures set by the National Institute of Standards and Technology.

[1:54:49 PM](#)

CHAIR WILSON stated he supports the concept of statewide security standards. He opined that HB 3 and the Department of Information Technology (OIT) would be a better mechanism for establishing statewide cyber security standards.

SENATOR BEGICH stated he supports the concept, but security standards should be statewide. Adopting Amendment 3 would require a title change resolution; therefore, he objects to Amendment 3.

[1:56:04 PM](#)

SENATOR HUGHES stated she would support Amendment 3 and a concurrent resolution for a title change. She expressed her belief that HB 3 deals with widespread disasters, not cyberattack security standards. Due to recent security breaches within DHSS, she favors Amendment 3 until statewide standards are in place.

[1:56:54 PM](#)

SENATOR REINBOLD affirmed that Amendment 3 requires cyber security standards to be established. Protecting data is the legislature's responsibility.

[1:57:30 PM](#)

CHAIR WILSON maintained his objection and asked for a roll call vote.

[1:57:36 PM](#)

A roll call vote was taken. Senators Reinbold and Hughes voted in favor of the motion to adopt Amendment 3 and Senators Begich, Costello, and Wilson voted against it.

[1:58:10 PM](#)

CHAIR WILSON announced that Amendment 3 failed by a 2:3 vote. Therefore Amendment 3 was not adopted.

[1:58:24 PM](#)

SENATOR REINBOLD moved Amendment 4 [W.6].

AMENDMENT 4

32-LS0639\W.6

Foote

1/27/22

OFFERED IN THE SENATE

BY SENATOR REINBOLD

Page 1, line 2, following "**benefits**":

Insert "**relating to data obtained through the electronic application process;**"

Page 4, line 3, following "**application**":

Insert "**data obtained by the department through the electronic application process must be accessible only to the department and may not be sold to or accessed by outside vendors;**"

[1:58:26 PM](#)

CHAIR WILSON objected for purposes of discussion.

SENATOR REINBOLD read Amendment 4, "data obtained by the department through the electronic application process must be accessible only to the department and may not be sold to or accessed by outside vendors."

[1:58:47 PM](#)

SENATOR BEGICH asked what DHSS's statutory authority is to secure data.

MS. O'BRIEN deferred to Mr. McCutcheon.

SENATOR BEGICH clarified that he is asking for DHSS's statutory authority over data because federal and state statutory authority is involved.

[1:59:59 PM](#)

SCOTT MCCUTCHEON, Department Technology Officer, Finance Management Services, Department of Health and Social Services (DHSS), Juneau, Alaska, stated he does not know off-hand the statutes. However, DHSS is required by the federal Health Insurance Portability and Accountability Act of 1996 to adhere to strict privacy and security laws.

CHAIR WILSON asked if Ms. O'Brien could identify the statutes.

MS. O'BRIEN stated she would provide the statutes to the committee.

SENATOR BEGICH stated his belief that Amendment 4 is redundant because numerous confidentiality elements are already in law. He asked why Amendment 4 creates a title change to include data when its purpose is to provide and allow electronic application.

[2:02:32 PM](#)

At ease.

[2:04:19 PM](#)

CHAIR WILSON reconvened the meeting and asked if DHSS uses outside vendors to help process or maintain its database or distribute benefits.

[2:05:01 PM](#)

MS. O'BRIEN replied that the department does not share data with outside vendors to distribute public assistance benefits. Some programs within the division utilize grantees to administer the benefits portion of the program. For example, the Women, Infant and Children (WIC) program is administered through grantees. The grantees do eligibility determinations. They use the state public assistance system for that program. The state issues those benefits on behalf of the recipients.

[2:05:56 PM](#)

CHAIR WILSON asked if the Childcare Assistance program is within the Division of Public Assistance.

MS. O'BRIEN replied that Childcare Assistance is the other program within the public assistance division that utilizes grantees to determine eligibility and issue benefits on behalf of the families participating in the program.

CHAIR WILSON asked if outside vendors had access to the division's software program.

[2:06:30 PM](#)

MS. O'BRIEN replied that grantees are afforded funds and operate a portion of the program on behalf of the state. They are held accountable to the same standards as a state employee. Business associate agreements and memorandums of understanding govern the state's relationship with the grantees.

[2:07:10 PM](#)

CHAIR WILSON asked if Amendment 4 would prohibit grantees from accessing the database.

MS. O'BRIEN opined that the wording would not apply to grantees; she would confirm with Information Technology.

[2:08:05 PM](#)

SENATOR HUGHES asked if Amendment 4 would prevent outside vendors from reviewing public assistance applications for fraud prevention.

MS. O'BRIEN replied that contractors must sign confidentiality documents stating access to information is solely to deliver state-hired services. Her interpretation of Amendment 4 does not prevent the department from hiring services. However, it would be worthwhile to double-check.

[2:09:33 PM](#)

SENATOR HUGHES agreed that an attorney should be advised. She stated her concern that Amendment 4 might prevent outside vendor fraud assessment.

[2:10:06 PM](#)

SENATOR BEGICH asked why a title change is necessary if Amendment 4 were to pass.

[2:10:42 PM](#)

ALEX FOOTE, Attorney, Legislative Legal Services, Anchorage, Alaska, replied that it was deemed necessary by Legislative Legal Services.

SENATOR BEGICH stated that in light of the response, he assumes the title change resolution is not necessary. Legislative Legal Services' answer would have been more definitive if a title change were required.

SENATOR BEGICH moved Conceptual Amendment 1 to Amendment 4, deleting the phrase on page 1, lines 1 and 2.

2:11:45 PM

CHAIR WILSON found no objection and Conceptual Amendment 1 to Amendment 4 passed.

2:11:54 PM

SENATOR HUGHES asked if Amendment 4 would pose a problem to the state contracting with outside vendors to do fraud checks on applications.

MR. FOOTE deferred to DHSS expertise.

SENATOR HUGHES suggested that the language in the bill be changed so that fraud checks are permitted by outside vendors.

2:13:44 PM

SENATOR BEGICH stated AS 47.05.020(a) addresses regulations concerning records and the disclosure of information. It specifically creates exceptions for the investigation and misuse of public assistance. AS 47.05.030 addresses the misuse of public assistance lists and records. It explicitly states that data cannot be sold.

CHAIR WILSON stated he is not concerned about data being sold or accessed by inappropriate entities. He is worried that a new statute is being created in conflict with an existing statute. He requested Director O'Brien investigate whether there is a conflict and report back to the committee and the sponsor of SB 168.

2:16:17 PM

CHAIR WILSON maintained his objection; he asked for a roll call vote.

2:16:25 PM

SENATOR HUGHES requested a friendly amendment to Amendment 4. On page 1, line 7, following "outside vendors" insert "unless those vendors are performing duties on behalf of departments."

2:16:45 PM

SENATOR REINBOLD objected to the friendly amendment because it creates an oxymoron and does not protect data from outside vendors.

SENATOR COSTELLO objected to the friendly amendment as it permits access to private information. She stated that current statutes address the concerns presented in Amendment 4.

SENATOR BEGICH stated current statute addresses the concerns of Amendment 4 and the friendly Amendment. He is opposed to both.

2:18:59 PM

SENATOR HUGHES withdrew the friendly amendment to Amendment 4 and expressed objection to Amendment 4 because outside vendor fraud checks should be allowed.

SENATOR REINBOLD stated Amendment 4 seeks to protect the beneficiary's data, a legislature's responsibility. She expressed her belief that filing electronically should be optional.

2:20:38 PM

CHAIR WILSON maintained his objection to Amendment 4 and asked for a roll call vote.

2:20:44 PM

A roll call vote was taken. Senator Reinbold voted in favor of the motion to adopt Amendment 4 and Senators Begich, Hughes, Costello, and Wilson voted against it. Therefore, the motion failed 1:4.

CHAIR WILSON announced that Amendment 4 failed by a 1:4 vote.

2:21:13 PM

CHAIR WILSON solicited a motion to move the bill from committee.

2:21:20 PM

SENATOR HUGHES moved HB 168, work order 32-LS0639\W as amended, from committee with individual recommendations and attached fiscal note(s).

2:21:37 PM

SENATOR REINBOLD objected due to lack of Wi-Fi accessibility and cyber security.

SENATOR COSTELLO said that SB 168 states that applications can be submitted electronically or in writing.

SENATOR HUGHES stated that public members concerned about data security should submit written applications.

SENATOR REINBOLD expressed concern about using "shall" in SB 168 and stated it is mandating a program.

[2:23:23 PM](#)

CHAIR WILSON asked for a roll call vote.

[2:23:27 PM](#)

A roll call vote was taken. Senators Hughes, Costello, Begich and Wilson voted in favor of moving HB 168 as amended from committee and Senator Reinbold voted against it.

[2:23:41 PM](#)

CHAIR WILSON announced that the motion passed by a 4:1 vote. Therefore, SCS HB 168(HSS) was reported from the Senate Health and Social Services Standing Committee.

[2:23:48 PM](#)

At ease.

PRESENTATION(S) : STATE OF ALASKA IT PROTOCOLS

[2:26:31 PM](#)

CHAIR WILSON reconvened the meeting and announced the Office of Information Technology presentation. He stated that the Department of Health and Social Services (DHSS) would present later.

[2:27:14 PM](#)

BILL SMITH, Chief Information Officer, Office of Information Technology, Department of Administration, Juneau, Alaska, stated the presentation would provide an overview of the cybersecurity threat environment and what state government has done and will be doing to protect data. The single highest priority within the Office of Information Technology department is its cyber security posture. Therefore, significant investment and structural changes are ongoing.

MR. SMITH stated that cybercrime is a \$6 trillion annual industry; its frequency, complexity, and resourcing continue to

increase. Reasons for its growth include industrialization and automation capabilities, nation state threats, and supply chain activity. OIT has noticed an increase in the volume of threats and defeats these threats daily.

2:31:20 PM

MR. SMITH moved to slide 4 and shared measures OIT has taken to reduce security threats, such as modernized productivity applications. Modern applications are built to address current security threats. Keeping applications up to date benefits productivity and system security. Security is also increased through elevated licensing, an example of IT architecture. When getting licenses for email platforms, the licensing can be elevated to include advanced security capabilities. Inspections by external cybersecurity firms have been conducted to identify residual malware. On-going external scanning is also done to identify and address external-facing vulnerabilities.

2:34:02 PM

CHAIR WILSON asked if the state carries cybersecurity insurance.

MR. SMITH replied that the state does not have external cybersecurity insurance.

CHAIR WILSON asked if the Department of Administration is looking into acquiring cybersecurity insurance.

MR. SMITH replied that a discussion with risk management regarding cyber security insurance occurred. However, the right course of action for Alaska is still unclear due to the rising cost of cyber security insurance, the failure of insurance companies to make claim payments, and understanding that insurance does not prevent incidents of attack.

2:35:21 PM

MR. SMITH advanced to slide 5 and stated that the National Institute of Standards and Technology (NIST) is the cybersecurity framework used by the State of Alaska. OIT is strengthening security in each area of the framework. The state is implementing multi-factor authentication (MFA) to prevent username, password, and identity theft. For protection, the state is making it harder to access environments by staying current with modern applications, migrating to a secure Cloud Framework, and increasing employee security training. To improve detection, OIT increases its network visibility to detect real-time attacks and block malware and phishing attempts.

[2:37:54 PM](#)

CHAIR WILSON asked if all departments in the state use the NIST framework.

MR. SMITH said that is correct; OIT is responsible for security across the executive branch using NIST. There are a couple of departments with internal security capabilities. They are like NIST, so a cohesive framework is in place.

[2:38:35 PM](#)

SENATOR HUGHES asked how monitoring and notification of a security breach occurs.

MR. SMITH answered that monitoring is a combined approach of firewalls, evaluation systems, anti-virus protection, and dedicated staff.

SENATOR HUGHES asked how OIT was notified when DHSS experienced a cyber security breach.

MR. SMITH stated office personnel responded to a system alert and worked with DHSS to identify, investigate, and isolate the problem.

[2:41:18 PM](#)

SENATOR BEGICH asked what OIT's role is in ensuring a new electronic application system is secure at startup.

MR. SMITH answered that the Investment Review Board within OIT must approve when a system is purchased. OIT's Chief Information Security Officer holds a seat on that board and evaluates systems from a security perspective. Security planning documentation is generated and prepared before the software is brought online. Authorization to operate is issued after platforms and software have been evaluated for security concerns. DHSS has a robust security environment that works with OIT.

[2:42:52 PM](#)

SENATOR BEGICH recapitulated that a system does not start unless it goes through a vetting process to protect the State of Alaska and its public participants.

MR. SMITH replied that the cyber security system was designed for that purpose; OIT works to ensure procedures and processes are in place to eliminate gaps, improve visibility and mitigate exposures.

SENATOR BEGICH replied that the response to cyber security is encouraging.

2:44:36 PM

CHAIR WILSON stated that several IT vendors across Alaska provide information technology services. DHSS has its own IT. He asked if the state consolidates vendors and programs to reduce costs when redesigning or creating systems.

MR. SMITH replied yes. General IT consolidation is impacting the effectiveness of the state's environment. A lot has been done to consolidate. A role of the Investment Review Board is to evaluate potential purchases of IT-related services and equipment for duplication or commonality across departments. The review board checks for duplicity and security then decides whether to acquire an item. This prevents unnecessary spending and maintains security standards.

2:47:21 PM

SENATOR BEGICH asked if line item requests have the same level of security scrutiny as non-line items.

MR. SMITH replied that the Investment Review Board checks to ensure each line item request fits within the environment, structure, and state security standards. Security features considered include security credentialing, password, and identity requirements.

2:49:22 PM

SENATOR BEGICH asked how many of the state standards must an item meet and can a department purchase an item before board approval.

MR. SMITH replied that security is not binary; security is a risk management decision. There is no issue if all the criteria are met; otherwise, a discussion occurs to determine whether the need exceeds the risk.

2:51:18 PM

MR. SMITH turned to slide 6 and said most cyber threats are avoided with basic universal hygiene across an organization. The basics include password management, multi-factor authentication, up-to-date software, and visibility.

2:52:36 PM

SENATOR HUGHES asked if the state has achieved 98 percent security through basic security hygiene and how many attacks the state deals with in a day.

MR. SMITH answered that 98 percent represents what having basics in place does for security, not how much it blocks. Threats are ongoing. Firewalls actively block 2 million attempts per month. Nine million emails are blocked due to indications of phishing or malware. Attacks happen every day, so security improvement is a continuous effort.

[2:54:36 PM](#)

SENATOR COSTELLO asked if state statute can be improved or strengthened to provide the statutory authority to keep the state government and Alaskan's information secure.

MR. SMITH stated he has not done an extensive study of state statute and therefore feels unprepared to answer the question.

MR. SMITH explained that the state is also working to simplify the enterprise security environment, to make identifying and responding to issues easier. Finding platforms that are capable of multiple tasks aids in simplification. The state has over 1,700 applications running. Security will improve as consolidation continues.

[2:57:15 PM](#)

MR. SMITH stated that the path forward for security is a concept called zero trust. Zero trust is treating every activity within a network as a breach. It will take a few years to achieve, but OIT has begun taking steps to achieve it.

[2:58:27 PM](#)

SENATOR BEGICH commented that zero trust is the opposite of what the legislature seeks to achieve.

[2:58:41 PM](#)

SENATOR HUGHES opined that reviewing statutes to ensure the state stays current and safe is a good idea.

CHAIR WILSON apologized that the committee would not hear hearing DHSS's presentation today.

SENATOR BEGICH stated he appreciates committee debates and dialogues even though he does not always agree with the outcomes.

3:00:46 PM

There being no further business to come before the committee, Chair Wilson adjourned the Senate Health and Social Services Standing Committee meeting at 3:00 p.m.